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REDACTED - FOR PUBLIC INSPECTION

December 21, 2015

BYECFS

Marlene H. Dortch Secretary Federal Communications Commission 445 Twelfth Street, S.W. Washington, DC 20554

Re: Applications of Charter Communications, Inc., Time Warner Cable Inc., and Advance/Newhouse Partnership for Consent to Assign or Transfer Control of Licenses and Authorizations, MB Docket No. 15-149

Dear Ms. Dortch:

In accordance with the *Protective Order* in the above-captioned proceeding, DISH Network Corporation ("DISH") hereby submits the attached public, redacted version of the enclosed letter. DISH has denoted with "{{BEGIN HCI END HCI}}" symbols where Highly Confidential Information has been redacted. The designated Highly Confidential Information in the letter was taken from Highly Confidential Information in the Applicants' filings and submissions to the Commission in response to the Commission's Information Requests. A Highly Confidential version of this letter is being simultaneously filed with the Commission and will be made available pursuant to the terms of the *Protective Order*.

¹ Applications of Charter Communications, Inc., Time Warner Cable Inc., and Advance/Newhouse Partnership for Consent to Assign or Transfer Control of Licenses and Authorizations, MB Docket No. 15-149, Protective Order, FCC 15- 110 (Sept. 11, 2015) ("Protective Order").

Marlene H. Dortch December 21, 2015

Please contact me with any questions.

Respectfully submitted,

Pantelis Michalopoulos

Stephanie A. Roy
Counsel to DISH Network Corporation

Enclosure

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Marlene H. Dortch Secretary Federal Communications Commission 445 Twelfth Street, S.W. Washington, DC 20554

Re: Applications of Charter Communications, Inc., Time Warner Cable Inc., and Advance/Newhouse Partnership for Consent to Assign or Transfer Control of Licenses and Authorizations, MB Docket No. 15-149

Dear Ms. Dortch:

DISH Network Corporation ("DISH") has already shown in this proceeding that overthe-top ("OTT") video services are not only a serious competitive threat to Charter's video distribution business, but that Charter is keenly aware of and actively working to address this {{BEGIN HCI END HCI}} threat.¹ This showing belies Charter's assertions that "OVDs are often a complement to MVPD video services, and therefore it is unlikely that a nonvertically integrated MVPD will have an incentive to foreclose OVDs."²

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¹ Letter from Pantelis Michalopoulos and Stephanie Roy, Counsel to Dish Network Corporation, to Marlene Dortch, Secretary, FCC, MB Docket No. 15-149, at 3 (Dec. 7, 2015) (describing Charter's concern that the "prospect of new players acquiring nationwide over-the-top ("OTT") rights was **{{BEGIN HCI**

² Fiona Scott Morton, Public Interest Statement Concerning the Merger of Charter, Bright House, and Time Warner Cable, MB Docket No. 15-149, ¶ 38 (June 24, 2015); *see also id.* ¶¶ 58, 61.

Marlene H. Dortch December 21, 2015 Page 2



DISH submits this *ex parte* to draw attention to Charter's particular efforts targeting DISH's innovative OTT service: *Sling TV*. Introduced earlier this year, *Sling TV* is a substitute for traditional cable television service. Thus, *Sling TV* itself is Exhibit A to prove wrong the applicants' OTT-as-complement theory. Indeed, Charter's true attitude to *Sling TV* contradicts directly the applicants' rhetoric that "appropriate partnerships between New Charter and OVDs make sense to both sides because the OVD services are generally complementary in content to New Charter's offerings in the content and services provided." Charter's laser-like focus on *Sling TV* shows that it views *Sling TV* as a serious competitive threat rather than a benign interest. It also shows that Charter does not believe its broadband Internet customers are more important than its video subscribers; instead, Charter is focused on protecting its video subscriber base rather than enhancing the broadband Internet experience for its subscribers. Charter's documents further reveal thinly veiled complaints to programmers about making their programming available to *Sling TV* and other OTT products.

Charter Views Sling TV as a Threat

Charter's internal documents show that Charter {{BEGIN HCI

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OTT rights for the Disney family of channels, including the premium ESPN franchises. In an **{BEGIN HCI END HCI}**}, a member of Charter's management team wrote that **{BEGIN HCI END HCI}**} to hear reports of the deal and its implications

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⁵ See Charter Communications, Inc., Time Warner Cable Inc., and Advance/Newhouse Partnership, Public Interest Statement, MB Docket No. 15-149, at 49 (June 25, 2015) ("[O]ur future success depends far more on our broadband business than our video business, and thus we will not have any incentive to take any action that harms the attractiveness of broadband to our customers.").

³ Statement of Dr. Fiona Scott Morton re the Merger of Charter, TWC, and BHN, MB Docket No. 15-149, ¶ 96 (Nov. 2, 2015); *id* n.131.

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Marlene H. Dortch December 21, 2015 Page 3



for a DISH OTT offering.⁶ That same executive then {{BEGIN HCI

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Charter had good reason to fret given the value proposition offered by DISH, which led one Charter executive to exclaim {{BEGIN HCI

END HCI}}.⁸ Another impressed Charter executive proclaimed: END HCI}}.⁹

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In fact, Charter was {{BEGIN HCI

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⁶ {{BEGIN HCI END HCI}} ⁷ {{BEGIN HCI END HCI}} 8 {{BEGIN HCI **END HCI**}} ⁹ {{BEGIN HCI END HCI}} 10 {{BEGIN HCI END HCI}} $^{11} \ \{\{ \textbf{BEGIN HCI}$

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Charter Has Sought to Counter the Threat by Many Means, Including Possibly Anticompetitive Methods

One day before DISH announced its OTT deal with Scripps Networks, {{BEGIN HCI

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Marlene H. Dortch December 21, 2015 Page 5



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It was no surprise that Charter began taking further steps to counter what it perceived to be a serious threat from *Sling TV*. **{{BEGIN HCI**

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By the end of January 2015, Charter was seemingly pulling out all the stops in its efforts to counter *Sling TV* and other OTT services. **{{BEGIN HCI**

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Marlene H. Dortch December 21, 2015 Page 6



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Charter's focus did not wander off Sling TV during the Spring of 2015. {{BEGIN HCI

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Marlene H. Dortch December 21, 2015 Page 7



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* * *

In short, Charter is threatened by *Sling TV*, and has tried to undermine it already by many means, including anticompetitive methods. The merger will dramatically increase its ability to do so.

Sincerely,

Pantelis Michalopoulos Stephanie A. Roy

Counsel for DISH Network Corporation

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